

MEMORANDUM

TO: NEPOOL Reliability and Transmission Committees
FROM: NEPOOL Counsel (Eric Runge, Margaret Czepiel)
DATE: July 23, 2026
RE: **Summary of ISO/RTO Informational Reports on Resource Adequacy for Large Loads** (Docket Nos. EL26-67-000 (PJM), EL26-68-000 (SPP), EL26-69-000 (NYISO), EL26-70-000 (MISO), EL26-71-000 (CAISO), and EL26-72-000 (ISO-NE))

On June 18, 2026, FERC issued a suite of six tailored show cause orders under section 206 of the Federal Power Act to all six RTOs/ISOs, each directing the RTO/ISO to file, within 30 days, an informational report describing the proposals under consideration in its stakeholder process to ensure resource adequacy to serve new large loads and to increase the pace of adding generating capacity, together with a schedule of key milestones and anticipated filing dates. Each of the six RTOs/ISOs filed its informational report on July 20, 2026. To provide NEPOOL with a broader view of resource adequacy across the ISOs in the context of large load integration, this memorandum summarizes each report, with a separate section for each ISO addressing (i) the existing measures and frameworks already in place to support resource adequacy amid large-load growth, and (ii) the proposed actions and reforms each RTO/ISO is pursuing, including timelines and anticipated filings. Some high-level observations are included at the end.

Please contact Eric Runge (ekrunge@daypitney.com) or Margaret Czepiel (mczepiel@daypitney.com) with questions about this matter.

Executive Summary

Regarding resource adequacy in the context of large load:

- Each RTO/ISO reports that its existing markets and processes are currently sufficient to maintain near-term resource adequacy, while acknowledging that the speed, scale, and concentration of new large loads require new tools.
- ISO-NE proposes two large-load-specific reforms: a “bring your own new generation” (BYONG) requirement and excluding new large loads from the capacity market’s Installed Capacity Requirement, with detailed rules anticipated in 2027 (ISO-NE Report at 6–8).

- MISO will file a Zero Injection Generator Interconnection Agreement (ZGIA) on or about July 31, 2026, and a Large Load Parallel Study Process filing on or about the end of September 2026, (MISO Report at 2–3, 9–11).
- NYISO is developing planning and market reforms, targeting a section 205 filing on or around March 2027 (NYISO Report at 12–13).
- PJM expects to file a Reliability Backstop Procurement proposal on or around July 31, 2026, and a framework for service during periods of insufficient resource adequacy on or around August 7, 2026 (PJM Report at 4–5).
- CAISO will use its Large Load stakeholder initiative as its primary compliance vehicle, targeting a FERC filing on November 16, 2026 (CAISO Report at 14–15).
- SPP describes a suite of recently effective large-load Tariff revisions and is developing a Price Adaptive Load / Price Adaptive Load Service proposal to file on or before November 16, 2026 (SPP Report at 23–26).
- All six RTOs/ISOs report that existing markets and planning processes remain adequate in the near term but require targeted new tools to address large-load growth without shifting costs to existing customers or degrading reliability.

I. ISO New England Inc. (Docket No. EL26-72-000)

Existing Measures and Frameworks

- Over the past decade, New England load has been flat or declining and the region has generally been long on supply, with a robust, largely uncongested transmission system; New England has not yet encountered significant large-load growth such as data centers (ISO-NE Report at 2).
- ISO-NE has been planning for large loads by working with transmission owners to develop protocols for tracking large loads and incorporating them into its forecasting processes; the 2026 CELT Report shows steady demand growth and healthy installed reserve margins (at 2).
- ISO-NE relies on its competitive wholesale markets as the most cost-effective means of ensuring resource adequacy; New England forward power prices are among the highest in the nation and total wholesale revenues are approaching the cost of new entry for dispatchable combined-cycle generation (at 3).
- Pending resource adequacy and operational uncertainty projects in ISO-NE’s multi-year roadmap include: a reduction to the Pay for Performance (Capacity Performance Payment) rate; the Capacity Auction Reforms project; Surplus Interconnection Service

improvements; probabilistic forecasting; uncertainty reserves; updated capacity market parameters (CONE/net CONE); and demand flexibility work with the states (at 4).

- Past and completed projects include Order No. 2023 interconnection compliance (leaving the queue essentially with no backlog), the Day-Ahead Ancillary Services Market, and the Probabilistic Energy Adequacy Tool with the Regional Energy Shortfall Threshold (at 4).
- Pay for Performance: ISO-NE filed a downward adjustment to the Performance Payment Rate (to \$3,500/MWh) earlier in the month in Docket No. ER26-3047-000 to reduce resource participation risk while preserving strong performance incentives (at 4–5).
- Capacity Auction Reforms: a two-phase project moving from a three-year-forward to a prompt, seasonal capacity market with a marginal-reliability-impact-based accreditation methodology and treatment of the constrained gas system (at 5–6).
- Surplus Interconnection Service: ISO-NE is evaluating reforms to allow new generating facilities to speed interconnection by co-locating at points of interconnection with existing resources that have “headroom” (at 5).

Proposed Actions and Reforms

- **Continuing/near-term filings:** ISO-NE anticipates its second Capacity Auction Reforms filing at the end of 2026; if approved, the first prompt and seasonal auction would be administered in May 2028 (at 5–6). It has and will continue to present a Surplus Interconnection Service gap analysis and design concepts to stakeholders in 2026 (at 5). It is developing probabilistic forecasting models (at 6); plans dynamic operating reserve demand curves and is evaluating a new longer-response (60- or 90-minute) reserve product, with a stakeholder process beginning in 2027 (at 6); will update net CONE / capacity market parameters before the 2030–31 capacity commitment period, anticipating filing new values in late 2028 or early 2029 (at 6); and will work with the states to maximize demand flexibility (at 6–7).
- **NEW large-load-specific proposals:** ISO-NE believes two related actions will be necessary — (1) requiring new large loads to “bring their own” incremental new generation; and (2) excluding new large loads from the load-side requirements of the capacity market (the Installed Capacity Requirement) — both intended to avoid cost shifts and adverse reliability risks (at 6).
- **BYONG:** ISO-NE preliminarily proposes to treat large loads differently from traditional firm end-use load (and traditional firm load growth) by excluding large loads (e.g., large data centers) from the system load forecasts used to set the capacity market’s demand curves and Installed Capacity Requirement. ISO-NE proposes that the capacity market will not procure incremental capacity on behalf of new large loads. Instead, they will be responsible for bringing their own energy supply or being subject to curtailment. ISO-NE

intends to pursue rules similar to SPP's Conditional High Impact Large Load Service (CHILLS), allowing transmission customers serving large loads to receive energy until sufficient designated resources and network upgrades are in place, subject to flexibility/curtailment/interruption requirements (at 6–7). ISO-NE anticipates filing detailed implementing rules regarding the capacity market excluding new large loads in 2027 (at 7).

- **Excluding Large Loads from the Installed Capacity Requirement:** ISO-NE preliminarily proposes to exclude large loads (e.g., large data centers) from the system load forecasts used to set the capacity market's demand curves and Installed Capacity Requirement, so the capacity market will not procure incremental capacity on their behalf; this complements BYONG (at 7). ISO-NE anticipates a notice statement in its compliance filing and will file detailed implementing rules in 2027 (at 7–8).

II. Midcontinent Independent System Operator, Inc. (Docket No. EL26-70-000)

Existing Measures and Frameworks

- Within MISO, the states are primarily responsible for resource adequacy; MISO supports resource adequacy by determining the Planning Reserve Margin, administering the Planning Resource Auction, and providing planning data, in coordination with the Organization of MISO States (OMS) (MISO Report at 3–4).
- The annual OMS-MISO Survey (published June 4, 2026) projects the region will maintain sufficient capacity to meet demand over the next five years; LSE-submitted load growth is accelerating at a projected compound annual growth rate of 3.1% to 5.1% over five years (at 4–5).
- MISO also uses its Regional Resource Assessment (a 20-year outlook) and MISO Futures for longer-term transmission planning (at 5).
- MISO's recent shift to a seasonal capacity market with seasonal accredited capacity and the Reliability Based Demand Curve better reflect extreme weather and send improved price signals; the 2025–2026 PRA cleared more capacity at lower prices (at 5–6).
- MISO is transitioning to a two-step Direct Loss-of-Load accreditation methodology to send better investment and retirement signals (at 6).
- Expedited Resource Addition Study (ERAS): filed June 2025 and accepted by FERC July 21, 2025, ERAS is a one-time accelerated interconnection study (expedited interconnection agreement within approximately 90 days) to address urgent near-term resource adequacy needs (MISO cited a potential 4.7 GW shortfall by 2028); to date 40 projects and 19 GW have completed the ERAS process (at 6–7).

- Queue speed improvements: the 2017 three-phase Definitive Planning Phase reform and subsequent enhancements, plus deployment of the certain modeling software, have accelerated interconnection studies (at 7–9).
- The MISO-SPP Joint Targeted Interconnection Queue Study and related transmission solutions unlock more than 28 GW of new interconnection capability along the MISO-SPP seam with greater cost certainty (at 9).

Proposed Actions and Reforms

- **Zero Injection Generator Interconnection Agreement (ZGIA):** A new Interconnection Service, study process, and pro forma GIA revisions to facilitate faster interconnection of generation that serves only load at the same substation and will not inject onto the broader transmission system, limiting system impacts and network upgrades to roughly the substation level. MISO expects to submit the ZGIA to FERC in an FPA section 205 filing on or about July 31, 2026 (at 2, 9–10).
- **Large Load Parallel Study Process:** A new framework to study large loads (≥ 250 MW) and their associated generation (generation nameplate capped at 150% of identified load need) concurrently/in parallel using shared modeling assumptions, finishing within approximately 120 days, to increase speed to approval and optimize network upgrades. MISO initiated stakeholder discussion at the July 16, 2026, Large Load Working Group, will continue at the August 27, 2026, meeting, and expects to file the proposed process on or about the end of September 2026 (at 2–3, 10–11).
- MISO also indicated it will provide more detail on additional large-load-integration initiatives in a forthcoming show cause order abeyance request (at 5).

III. New York Independent System Operator, Inc. (Docket No. EL26-69-000)

Existing Measures and Frameworks

- The NYISO plans for resource adequacy through its Comprehensive System Planning Process, including a biennial Reliability Planning Process complemented by quarterly Short-Term Reliability Process assessments over a five-year horizon (NYISO Report at 2–3).
- Recent studies show increasing long-term risk: the 2024 Reliability Needs Assessment (RNA) identified a New York City need beginning summer 2033; the 2025–2044 Comprehensive Reliability Plan found the baseline actionable need was no longer observed but warned the “grid is at an inflection point” (at 3). Preliminary 2026 RNA results (targeted for completion November 2026) could identify a statewide resource adequacy

criterion violation first occurring in 2033, growing to a deficiency greater than 1,800 MW by 2036, with more localized New York City needs beginning in 2031 (at 3–4).

- The NYISO’s wholesale capacity market, with the New York State Reliability Council’s annually set Installed Reserve Margin meeting a 0.1 loss-of-load-expectation criterion, provides efficient price signals and fixed-cost recovery to attract and retain resources (at 4–5).
- The Cluster Study Process (adopted under Order No. 2023) has shortened interconnection: 89 completed projects representing over 11 GW await commercial operation, and the near-complete Transition Cluster has 91 projects representing over 15 GW; the next Cluster Study application window begins July 31, 2026, and the NYISO filed two portfolios of interconnection enhancements in May 2026 (at 5–6).
- The Reliability Planning Process uses an “all resource type” approach, first seeking viable and sufficient market-based solutions (generation, demand response, transmission) before triggering regulated backstop solutions, with roles coordinated between the NYISO and the New York Public Service Commission (at 6–8).

Proposed Actions and Reforms

- **Planning reforms:** NYISO is enhancing its Reliability Planning Process to implement scenario planning and better incentivize supply-side solutions, targeting reforms for the end of 2026 / beginning of 2027 (at 10). Specific concepts under consideration include:
 - Establishing an accelerated interconnection study path for resources identified as needed to address a reliability need (a shorter timeframe than the Cluster Study Process) (at 10–11).
 - Enhancing the criteria for modifications to existing resources (e.g., repowering) so certain non-reliability-impacting changes can proceed without a full Cluster Study restudy (at 11).
 - Enhancing how needs and solutions are processed, including potentially assigning responsibility for a resource deficiency to the large load(s) that directly contribute to it, and broadening the types of solutions considered (e.g., firm fuel contracts, load flexibility) (at 11–12).
- **Timeline for planning reforms:** Continue stakeholder development through October 2026; finalize proposals by the end of 2026; obtain Operating Committee / Management Committee / Board approvals between January and March 2027; and submit a section 205 filing on or around March 2027 (at 12–13).
- **Market reforms:** Ancillary services enhancements including Uncertainty Reserve Requirements (Balancing Intermittency, effective in 2026) and Dynamic Reserves

(expected 2028) (at 13); capacity market enhancements including Installed Capacity Accreditation Rules for Fuel Supply Constraints (2026), a move from an annual to a seasonal (winter-inclusive) capacity market next year, Demand Curve Reset process improvements (to finalize in 2026 for the 2027 reset), and a 2026–2030 resource-adequacy modeling improvement strategic plan (at 13–14).

IV. PJM Interconnection, L.L.C. (Docket No. EL26-67-000)

Existing Measures and Frameworks

- PJM has been addressing resource adequacy for new large loads through multiple stakeholder processes, most directly a Critical Issue Fast Path (CIFP) for a Reliability Backstop Procurement (RBP) and a framework for service during periods of insufficient resource adequacy (PJM Report at 1–3).
- The RBP is being designed to specify core award parameters (price, term, quantity) and cost allocation as a transitional measure while a more durable mechanism is evaluated; the companion framework would let PJM operators maintain reliability by requiring large loads that do not bring sufficient supply to reduce withdrawals before other load is curtailed (at 3).
- PJM has already enhanced the interconnection process, including the Expedited Interconnection Track, accepted by FERC on June 9, 2026, to address near-term resource adequacy needs (at 2, 9–10).
- PJM’s Interconnection Process Subcommittee continues the cycle-based study process; as of May 15, 2026, PJM had received 829 Cycle 1 applications totaling approximately 212,000 MW under review (at 10–11).

Proposed Actions and Reforms

- **Reliability Backstop Procurement:** PJM expects to file a finalized RBP proposal with FERC on or around July 31, 2026, and to administer a reliability backstop procurement shortly after Commission acceptance (at 4–5).
- **Framework for service during periods of insufficient resource adequacy:** PJM intends to file this proposal shortly after the RBP filing on or around August 7, 2026 (at 4–5).
- **Large Load Customer Flexibility (Connect and Manage):** PJM and stakeholders expect to develop an allocation framework under which Transmission Owners and LSEs have customer contractual load-reduction guarantees, enabling certain large loads to connect before necessary transmission upgrades are complete; the timing of this work remains under review (at 5–6).

- **Powering Reliability Through Market Design:** PJM released a report identifying three potential paths (stabilizing the long-term market; allowing differential reliability between regions; shifting revenue recovery from the capacity market toward energy and ancillary services), with workshops running through August and a more formal stakeholder process culminating in a FERC filing in 2027 (at 6–8).
- **Reserve Certainty reforms (RCSTF):** PJM plans to file a proposal to recalibrate reserve products and demand curves by the end of 2026 (at 8).
- **Expansion of Provisional Service:** PJM’s Interconnection Process Subcommittee is exploring allowing certain Phase III projects to begin generating before completing certain cycle studies, with results reported to the Planning Committee in September 2026 (at 10).

V. California Independent System Operator Corporation (Docket No. EL26-71-000)

Existing Measures and Frameworks

- California uses an integrated planning framework under a 2022 MOU: the California Energy Commission (CEC) develops the long-term demand forecast, the California Public Utilities Commission (CPUC) identifies system needs and directs resource procurement and administers resource adequacy, and the CAISO plans the transmission system and administers interconnection (CAISO Report at 2–6).
- The coordinated process has added nearly 36,000 MW of new generating and storage capacity since 2020 (including more than 16 GW of energy storage) (at 3, 10).
- The CEC forecasts CAISO-grid data center load to increase by 1.8 GW by 2030 and 4.9 GW by 2040 (at 5); the CPUC has ordered LSEs to procure 24.8 GW of mostly new net qualifying capacity between 2021 and 2032 (at 5, 10).
- The 2025–2026 Transmission Plan is based on state projections that California load will grow by 15 GW by 2035 and 20 GW by 2040, requiring installed resource capacity increases of more than 74 GW and 107 GW, respectively (at 5).
- The CPUC’s resource adequacy program includes a 24-hour “slice-of-day” framework requiring procurement for all hours, not just system peak (at 7).
- The CAISO provides interconnection heatmaps and, in 2025, adopted a process to accelerate generation within a cluster, enabling 2,720 MW (8 projects) to advance completion by two or more years (at 8–9).
- The CAISO’s 2026 Summer Loads and Resource Assessment indicates the current portfolio meets the reliability target with a surplus of over 2.5 GW; current planning does

not indicate a systemic generation adequacy shortfall comparable to other regions, and 2025 load and wholesale prices declined (at 9, 11, 13).

Proposed Actions and Reforms

- **Large Load stakeholder initiative (primary compliance vehicle):** The CAISO posted a large load issue paper in January 2026 and a straw proposal in June 2026 and will refocus the initiative on the issues in the show cause order. The expedited schedule is as follows:
 - Straw proposal posted August 12, 2026
 - Stakeholder workshop August 19, 2026
 - Comments due September 2, 2026
 - Draft final proposal posted September 21, 2026
 - Workshop September 28, 2026
 - Comments due October 12, 2026
 - Western Energy Market Governing Body (if necessary) October 20, 2026
 - CAISO Board of Governors October 28, 2026
 - FERC filing on the Order to Show Cause November 16, 2026 (at 14–15)
- **Other stakeholder initiatives:** CAISO states these will not affect the timing of its ultimate compliance:
 - A significant reform of the Resource Adequacy Availability Incentive Mechanism to target operational system conditions and true scarcity hours (at 15–16).
 - The Demand and Distributed Energy Market Integration initiative to enhance demand flexibility and load participation models (at 16).
 - Interconnection Process Enhancements (IPE), with a sixth IPE initiative (IPE 6) to open in 2026 or early 2027 ahead of the cluster 17 window in October 2027 (at 17–18).

VI. Southwest Power Pool, Inc. (Docket No. EL26-68-000)

Existing Measures and Frameworks

- SPP administers a resource adequacy program under Attachment AA, requiring Load Responsible Entities to demonstrate accredited capacity to meet load plus a Planning Reserve Margin for the Summer and Winter Seasons (SPP Report at 5–6).

- Beginning with Summer 2026, SPP transitioned to an Accredited Capacity Planning Reserve Margin framework using Performance-Based Accreditation (conventional) and Effective Load Carrying Capability (wind, solar, battery); the Summer 2026 system-wide Accredited Capacity Planning Reserve Margin was 7.06% (at 8–9).
- The Summer 2026 Resource Adequacy Report concludes the East BAA is adequately positioned, with a 17.1% reserve margin (approximately 5,752 MW of excess accredited capacity) and all 65 LREs satisfying their Resource Adequacy Requirement (at 9).
- Expedited Resource Adequacy Study: filed May 22, 2025, and accepted July 21, 2025, a one-time accelerated pathway for new generation to address urgent reliability needs through 2030; 36 active requests representing approximately 13.3 GW, with interconnection agreement execution expected to begin September 2026 (at 11–12).
- Provisional Load Process (Attachment AX): filed June 4, 2025, and accepted October 10, 2025, allows SPP to study proposed delivery point additions using both existing Designated Resources and identified planned generation; network upgrade costs are 100% directly assigned to the Transmission Customer until firm transmission service is obtained (at 12–14).
- High Impact Large Load (HILL) and High Impact Large Load Generator Assessment (HILLGA) rules/processes (Attachments BA/BB): filed October 24, 2025 and accepted January 14, 2026; defines a “High Impact Large Load” (10 MW or more at ≤ 69 kV, or 50 MW or more at > 69 kV), establishes enhanced study and ongoing operational requirements, and creates the HILLGA process providing a limited “Load Limited Resource Interconnection Service” for supporting generation (at 15–17).
- CHILLS: filed February 10, 2026, and accepted June 5, 2026, (effective July 1, 2026), allows a HILL to receive energy transfer on a long-term, non-firm basis before network upgrades or designated resources are in place, subject to a maximum seven-year term and reliability protections (at 17–19).
- Consolidated Planning Process: filed November 3, 2025, and accepted by FERC on March 13, 2026, consolidates transmission planning and interconnection processes and related studies into a single coordinated framework, which, among other things is better able to account for large-load growth (at 22–24).

Proposed Actions and Reforms

- **Peak Demand Assessment and Demand Response reforms:** Filed April 17, 2026, and pending before FERC with a requested effective date of January 1, 2027; shifts resource adequacy accountability to a financially binding post-season assessment based on actual, weather-normalized peak demand, and more fully integrates Demand Response Resources, including a new Reliability-Registered Demand Response Program (at 19–22).

- **Price Adaptive Load (PAL) and Price Adaptive Load Service (PALS):** A new market participation model and non-firm transmission service for large, price-responsive, fully dispatchable loads. SPP is advancing these proposals through stakeholder and regional state committee processes, with a FERC filing on or before November 16, 2026 (at 23–26).
- **CHILLS enhancements:** SPP anticipates filing Tariff changes to clarify sequencing of resource commitments and Reliability-Registered Demand Response Program deployments relative to CHILLS, establish a minimum curtailment ramp rate, and permit limited outages for supporting resources (at 19–20).
- **REAL Team 2027 work plan:** The Resource and Energy Adequacy Leadership Team will address the seasonal resource adequacy construct, use of non-firm imports in the planning reserve margin, non-weather-related load uncertainty, and use of coincident vs. non-coincident peak (at 26–27).

Conclusion / Observations

A. Common Ground: Near-Term Adequacy, Long-Term Urgency

All six RTOs/ISOs report that existing markets and planning processes remain adequate in the near term but require targeted new tools to address large-load growth without shifting costs to existing customers or degrading reliability.

B. BYONG or Not

ISO-NE's BYONG is the most explicit "bring your own generation" mandate and expressly cites SPP's CHILLS as a model (ISO-NE at 6-7). SPP (HILLGA/CHILLS) and MISO (ZGIA/Parallel Study) implement analogous load-generation pairing through interconnection and study mechanisms rather than a capacity-market mandate (SPP at 15-19; MISO at 9-11). PJM's Connect and Manage conditions large-load connection on load-reduction commitments rather than on a requirement for new dedicated generation (PJM at 5-6). CAISO relies on the state's integrated procurement framework rather than proposing a distinct ISO-administered pairing mechanism (CAISO at 2-6).

C. Capacity Market Treatment Divergence

ISO-NE alone proposes to exclude new large loads from the Installed Capacity Requirement (ISO-NE at 7-8), whereas NYISO continues to include large loads in demand forecasts and its planning process (NYISO at 6-7), and PJM is re-examining the capacity market's role altogether through three market-design pathways (PJM at 6-8). This divergence seems to reflect fundamental

differences in each region's philosophy regarding whether the capacity market should socialize costs of integrating new large loads.

D. Generation Surplus vs. Deficiency

CAISO and SPP report near-term surpluses (CAISO at 9, 11; SPP at 9), while NYISO projects a looming statewide deficiency beginning in 2033 (NYISO at 3-4) and PJM highlights load additions outpacing new supply during a transitional period (PJM at 3). These differences may shape how each region approaches market design or other rules addressing resource adequacy.

E. Interim/Non-Firm Service Models

SPP's CHILLS is the most developed conditional service mechanism (effective July 1, 2026) and serves as a template ISO-NE intends to follow (SPP at 17-19; ISO-NE at 6-7). PJM's "Connect and Manage" flexibility framework is analogous but still under stakeholder development (PJM at 5-6). Other ISOs have not yet specified how they will provide more rapid integration of large loads through changes to transmission service.